

The cost of pipes or other protective covering for inside wires shall be included in Account ~~6321, Customer Premises Wiring Expense~~. *6310, Information Origination/Termination Expense.*

§ 32.2680 Amortizable tangible assets.

This account shall be used ~~by Class B carriers~~ to record amounts for property acquired under capital leases and the original cost of leasehold improvements of the type of character ~~required of Class A companies in Accounts 2681 and 2682~~. *listed below.*

~~§ 32.2681 Capital leases.~~

(a) This account shall include all property acquired under a capital lease. A lease qualifies as a capital lease when one or more of the following criteria is met:

(1) By the end of the lease term, ownership of the leased property is transferred to the lessee.

(2) The lease contains a bargain purchase option.

(3) The lease term is substantially (75% or more) equal to the estimated useful life of the leased property. However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease.

(4) At the inception of the lease, the present value of the minimum lease payments, excluding that portion of the payments representing executory costs to be paid by the lessor, including any profit thereon, equals or exceeds 90% or more of the fair value of the leased property. However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease.

(b) All other leases are operating leases.

(c) The amounts recorded in this account at the inception of a capital lease shall be equal to the original cost, if known, or to the present value not to exceed fair value, at the beginning of the lease term, of minimum lease payments during the lease term, excluding that portion of the payments representing executory costs to be paid by the lessor, together with any profit thereon.

~~§ 32.2682 Leasehold improvements.~~

(d)(a) This account shall include the original cost of leasehold improvements made to telecommunications plant held under a capital or operating lease, which are subject to amortization treatment. This account shall also include those improvements which will revert to the lessor.

(e)(b) Improvements to leased telecommunications plant which are of a relatively minor cost or short life or for which the period of the lease is one year or less shall be charged to the account chargeable with the cost of repairs to such plant.

(f)(c) Amounts contained in this account shall be amortized over the term of the related lease .

## § 32.2690 Intangibles.

(a) This account shall include the cost of organizing and incorporating the company, the original cost of government franchises, the original cost of patent rights, and other intangible property, having a life of more than one year and used in connection with the company's telecommunications operations.

~~(b) subsidiary records for this account include a description of each class of intangible property.~~

(b)(c) The cost of other intangible assets having a life of one year or less shall be charged directly to Account ~~6564, Amortization Expense Intangible~~ **6560, Depreciation and Amortization Expense**. Such intangibles acquired at small cost may also be charged to Account ~~6564-6560~~, irrespective of their term of life.

(c)(d) This account shall not include any discounts on securities issued, nor shall it include costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance, sale or resale of capital stock.

(d)(e) When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies concerned shall not be carried over.

(e)(f) Franchise taxes payable annually or more frequently shall be charged to Account ~~7240, Operating Other Taxes~~ **7200, Operating Taxes**

(f)(g) This account shall not include the cost of plant, material and supplies, or equipment furnished to municipalities or other governmental authorities when given other than as initial consideration for franchises or similar rights. (Note also Account ~~6728, Other General & Administrative~~ **6720, General and Administrative Expense**)

(g)(h) This account shall not include the original cost of easements, rights of way, and similar rights in land having a term of more than one year. Such amounts shall be recorded in Account ~~2411, Land~~ **2110, Land and Support Assets**, or in the appropriate outside plant account (see Accounts ~~2411 through 2441~~ **2410**), or in the appropriate central office account (see Accounts ~~2211 through 2232~~ **2210 through 2230**).

## 32.3000 Instructions for balance sheet accounts - depreciation and amortization.

~~(a) Depreciation and Amortization Subsidiary Records~~

~~(1) Subsidiary record categories shall be maintained by depreciable category according to GAAP. for each class of depreciable telecommunications plant in Account 3100 for which there is a prescribed depreciation rate. (See also § 32.2000(g)(1)(iii) of this subpart.)~~

~~(2) Subsidiary records shall be maintained for Accounts 3400, 3410, 3420, 3500 and 3600 in accordance with § 32.2000(h)(4) of this subpart.~~

~~(b) Depreciation and Amortization Accounts are to be Maintained by Class A and Class B telephone companies as indicated:~~

<u>Account Title</u>	<u>Class A</u> <u>Account</u>	<u>Class B</u> <u>Account</u>
Depreciation and Amortization:		
Accumulated depreciation	<del>3100</del>	3100
Accumulated depreciation-Held for future telecommunications use	<del>3200</del>	3200
Accumulated depreciation-Nonoperating	<del>3300</del>	3300
Accumulated amortization-Tangible		3400
<del>Accumulated amortization-Capitalized leases</del>	<del>3410</del>	
<del>Accumulated amortization-Leasehold Improvements</del>	<del>3420</del>	
Accumulated amortization-Intangible	<del>3500</del>	3500
Accumulated amortization-Other	<del>3600</del>	3600

## § 32.3100 Accumulated depreciation.

(a) This account shall include the accumulated depreciation associated with the investment contained in Account 2001, Telecommunications Plant in Service.

(b) This account shall be credited with depreciation amounts concurrently charged to Account ~~6561, Depreciation Expense-Telecommunications Plant in Service~~ **6560, Depreciation and Amortization Expense**. (Note also Account 3300, Accumulated Depreciation-Nonoperating.)

(c) At the time of retirement of depreciable operating telecommunications plant, this account shall be charged with the original cost of the property retired plus the cost of removal and credited with the salvage value and any insurance proceeds recovered.

~~(d) This account shall be credited with amounts charged to Account 1438, Deferred Maintenance and Retirements, as provided in §32.2000(g)(4) of this subpart. This account shall be credited with amounts charged to Account 6561 with respect to other than relatively minor losses in service values suffered through terminations of service when charges for such terminations are made to recover the losses.~~

## § 32.3200 Accumulated depreciation - held for future telecommunications use.

(a) This account shall include the accumulated depreciation associated with the investment contained in Account 2002, Property Held for Future Telecommunications Use.

(b) This account shall be credited with amounts concurrently charged to Account ~~6562, Depreciation Expense - Property Held for Future Telecommunications Use.~~ **6560, Depreciation and Amortization Expense.**

§ 32.3300 Accumulated depreciation - nonoperating.

(a) This account shall include the accumulated amortization and depreciation associated with the investment contained in Account 2006, Nonoperating Plant.

(b) This account shall be credited with amortization and depreciation amounts concurrently charged to Account ~~7360, Other Nonoperating Income~~ **7300, Nonoperating Income and Expense.**

(c) When nonoperating plant not previously used in telecommunications service is disposed of, this account shall be charged with the amount previously credited hereto with respect to such property and the book cost of the property so retired less the amount chargeable to this account and less the value of the salvage recovered or the proceeds from the sale of the property shall be included in Account ~~7350, Gains or Losses on Disposition of Certain Property.~~ **7300 Nonoperating Income and Expense.** In case the property had been used in telecommunications service previous to its inclusion in Account 2006, Nonoperating Plant, the amount accrued for depreciation thereon after its retirement from telecommunications service shall be charged to this account and credited to Account 3100, Accumulated Depreciation and the accounting for its retirement from Account 2006 shall be in accordance with that applicable to telecommunications plant retired.

§ 32.3400 Accumulated amortization - tangible.

This account shall be used ~~by Class B companies~~ to record accumulated amortization of the type and character ~~required of Class A companies in Accounts 3410 and 3420.~~ **listed below.**

~~§ 32.3410 Accumulated amortization - capitalized leases.~~

(a) This account shall include the accumulated amortization associated with ~~the investment contained in Account 2681, Capital Leases~~ **2680, Investment and Leasehold Improvements.**

(b) This account shall be credited with amounts for the amortization of capital leases **and leasehold improvements** concurrently charged to Account ~~6563, Amortization Expense - Tangible. (Note also Account 3300, Accumulated Depreciation - Nonoperating.)~~ **6560, Depreciation and Amortization Expense.**

(c) When any item carried in Account ~~2681~~ **2680** is sold, is relinquished, or is otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited to Account ~~7160, Other Operating Gains and Losses,~~ **7100, Other Operating Income and Expense** or Account ~~7360, Other Nonoperating Income,~~ **7300, Nonoperating Income and Expense** as appropriate.

~~§ 32.3420 Accumulated amortization - leasehold improvements.~~

~~(d) This account shall include the accumulated amortization associated with the investment contained in Account 2682, Leasehold Improvements~~

~~(b) This account shall be credited with amounts for the amortization of leasehold improvements concurrently charged to Account 6563, Amortization Expense Tangible. (Note also Account 3300, Accumulated Depreciation Nonoperating.)~~

~~(c) When any item carried in Account 2682 is sold, is relinquished, or is otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited to Account 7360, Other Nonoperating Income.~~

§ 32.3500 Accumulated amortization - intangible.

(a) This account shall include the accumulated amortization associated with the investment contained in Account 2690, Intangibles.

~~(b) This account shall be credited with amortization amounts concurrently charged to Account 6564, Amortization Intangible. (Note also Account 3300, Accumulated Depreciation Nonoperating.)~~  
**6550, Depreciation and Amortization Expense.**

~~(c) When any item carried in Account 2690 is sold, relinquished, or otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited to Account 7360, Other Nonoperating Income.~~  
**7300, Nonoperating Income and Expense.**

§ 32.3600 Accumulated amortization - other.

(a) This account shall include the accumulated amortization associated with the investment contained in Account 2005, Telecommunications Plant Adjustment.

~~(b) This account shall be credited with amortization amounts concurrently charged to Account 6565, Amortization Expense Other.~~  
**6560, Depreciation and Amortization Expense.** (Note also Account 3300, Accumulated Depreciation-Nonoperating.)

~~(c) When any item carried in Account 2005 is sold, relinquished, or otherwise retired from service, this account shall be charged with the cost of the retired item. Remaining amounts associated with the item shall be debited Account 7360, Other Nonoperating Income.~~  
**7300, Nonoperating Income and Expense.**

§ 32.4000 Instructions for balance sheet accounts - liabilities and stockholders' equity.

Liabilities and Stockholders' Equity Accounts to Be Maintained by ~~Class A and Class B~~  
~~telephone companies:~~

<u>Account Title</u>	<u>Class A</u> <u>Account</u>	<u>Class B</u> <u>Account</u>
Current Liabilities:		
Accounts Payable	4010	4010
Notes payable	4020	4020
Advance billing and payments	4030	4030
Customer deposits	4040	4040
Current maturities-long term debt	4050	4050
Current maturities-capital leases	4060	4060
Income taxes-accrued	4070	4070
Other taxes-accrued	4080	4080
Net current deferred operating income taxes	4100	4100
Net current deferred nonoperating income taxes	4110	4110
Other accrued liabilities	4120	4120
Other current liabilities	4130	4130
Long-term debt:		
Funded debt	4210	4210
Premium on long-term debt	4220	4220
Discount on long-term debt	4230	4230
Reacquired debt	4240	4240
Obligations under capital leases	4250	4250
Advances from affiliated companies	4260	4260
Other long-term debt	4270	4270
Other liabilities and deferred credits:		
Other long-term liabilities	4310	4310
Unamortized operating investment tax credits - net	4320	4320
Unamortized nonoperating investment tax credits-net	4330	4330
Net noncurrent deferred operating taxes	4340	4340
Net deferred tax liability adjustments	4341	4341
Net noncurrent deferred nonoperating income taxes	4350	4350
Other deferred credits	4360	4360
Deferred tax regulatory liability	4361	4361
<del>Other jurisdictional liabilities and deferred credits net</del>	<del>4370</del>	<del>4370</del>
Stockholders' Equity:		
Capital stock	4510	4510
Additional paid-in capital	4520	4520
Treasury stock	4530	4530
Other capital	4540	4540
Retained earnings	4550	4550

## § 32.4010 Accounts payable.

(a) This account shall include all amounts currently due to others for recurring trade obligations, and not provided for in other accounts, such as those for traffic settlements, material and supplies, repairs to telecommunications plant, matured rents, and interest payable under monthly settlements on short-term loans, advances, and open accounts. It shall also include amounts of taxes payable that have been withheld from employees' salaries.

~~(b) Subsidiary record categories shall be maintained for this account in order that the company may separately report the amounts contained herein that relate to nonaffiliates and affiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

(c) There shall be included herein accounts payable arising from sharing of revenues.

## § 32.4020 Notes payable.

(a) This account shall include the face amount of notes, drafts, and other evidences of indebtedness issued or assumed by the company (except interest coupons) which are payable on demand or not more than one year or less from date of issue.

~~(b) Subsidiary record categories shall be maintained for this account in order that the company may separately report the amounts contained herein that relate to nonaffiliates and affiliates. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

~~(b)(c)~~ If any part of an obligation, otherwise includable in this account matures more than one year from date of issue, it shall be included in Account 4210, Funded Debt, 4260, Advances from Affiliated Companies, or other appropriate account.

~~(c)(d)~~ The records supporting the entries to this account shall be kept so that the company can furnish complete details as to each note, when it is issued, the consideration received, and when it is payable.

## 32.4030 Advance billing and payments.

This account shall include the amount of advance billing creditable to revenue accounts in future months; also advance payments made by prospective customers prior to the establishment of service. Amounts included in this account shall be credited to the appropriate revenue accounts in the months in which the service is rendered or cleared from this account as refunds are made.

## § 32.4040 Customers' deposits.

(a) This account shall include the amount of cash deposited with the company by customers as security for the payment for telecommunications service.

(b) Taxes paid in advance of the period in which they are chargeable to income shall be included in the prepaid taxes Account 1300, Prepaid Taxes, or 1410, Other Noncurrent Assets, as appropriate.

§ 32.4050 Current maturities - long-term debt.

This account shall include the amount (including any obligations for premiums) of long-term debt matured and unpaid without any specific agreement for extension of maturity, including unrepresented bonds drawn for redemption through the operation of sinking and redemption fund agreements.

§ 32.4060 Current maturities - capital leases.

This account shall include the current portion of obligations applicable to property obtained under capital leases.

§ 32.4070 Income taxes - accrued.

(a) This account shall be credited or charged and the following accounts shall be charged or credited with the offsetting amount of current year income taxes (Federal, state and local) accrued during the period or adjustments to prior accruals:

<del>7220</del>	<del>Operating Federal Income Taxes</del>
<del>7230</del>	<del>Operating State and Local Income Taxes</del>
<del>7420</del>	<del>Nonoperating Federal Income Taxes</del>
<del>7430</del>	<del>Nonoperating State and Local Income Taxes</del>
<del>7630</del>	<del>Current Income Tax Effect of Extraordinary Items - Net</del>
<b>7200</b>	<b>Operating Taxes</b>
<b>7400</b>	<b>Nonoperating Taxes</b>
<b>7600</b>	<b>Extraordinary Items</b>

(b) If significant, current year income taxes paid in advance shall be reclassified to Account 1300, Prepaid Taxes.

§ 32.4080 Other taxes - accrued.

(a) This account shall be credited or charged and Account ~~7240, Operating Other Taxes~~ **7200, Operating Taxes**, or ~~7440, Nonoperating Other Taxes~~ **7400, Nonoperating Taxes**, or for payroll related costs, the appropriate expense accounts shall be charged or credited for all taxes, other than Federal, State and local income taxes, accrued or adjusted for previous accruals during the period. Among the taxes includable in this account are property, gross receipts, franchise, capital stock, social security and unemployment taxes.

(b) Taxes paid in advance of the period in which they are chargeable to income shall be included in the prepaid taxes Account 1300, Prepaid Taxes, or 1410, Other Noncurrent Assets, as appropriate.



## § 32.4100 Net current deferred operating income taxes.

(a) This account shall include the balance of income tax expense related to current items from regulated operations which have been deferred to later periods as a result of the normalized method of accounting for tax differentials authorized by this Commission and not provided for elsewhere.

(b) As regulated assets or liabilities which generated the deferred income tax are reclassified from long-term or noncurrent status to current, the appropriate deferred income tax shall be reclassified from Account 4340, Net Noncurrent Deferred Operating Income Taxes, to this account.

(c) This account shall be debited or credited with the amount being debited or credited to Account ~~7250, Provision for Deferred Operating Income Taxes~~ **Net 7200, Operating Taxes**, in accordance with that account's description and § 32.22 of Subpart B.

(d) The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turnaround of the temporary difference.

~~(e) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

## § 32.4110 Net current deferred nonoperating income taxes.

(a) This account shall include the balance of income tax expense resulting from comprehensive interperiod tax allocation which has been deferred to later periods.

(b) As other assets or liabilities which generated the deferred income tax are reclassified from long-term or noncurrent status to current, the appropriate deferred income tax shall be reclassified from Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes, to this account.

(c) This account shall be debited or credited with the amount being credited or debited to Account ~~7450, Provision for Deferred Nonoperating Income Taxes~~ **Net 7400, Nonoperating Taxes**, in accordance with that account's description and § 32.22 of Subpart B.

(d) This account shall also include the balance of the income taxes (Federal, state and local) related to current extraordinary items which have been deferred to later periods resulting from comprehensive interperiod tax allocation.

(e) As the extraordinary item which generated the deferred income tax becomes current, the appropriate deferred income tax shall be reclassified from Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes, to this account.

(f) This account shall be debited or credited with the amount being credited and debited to Account ~~7640, Provision for Deferred Income Tax Effect of Extraordinary Items~~ **Net 7600, Extraordinary Items**.

(g) The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turnaround of the temporary difference.

~~(h) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

§ 32.4120 Other accrued liabilities.

(a) This account shall include the amount of wages, compensated absences, interest on indebtedness of the company, dividends on capital stock and rents accrued to the date for which the balance sheet is made, but not payable until after that date.

(b) This account shall be maintained so as to show separately the amount and nature of the items accrued to the date of the balance sheet.

(c) Matured rents, dividends and interest shall be included in Account 4010, Accounts Payable.

(d) Interest payable under monthly settlements on short-term loans, advances, and open accounts shall be included in Account 4010.

§ 32.4130 Other current liabilities.

This account shall include liabilities of current character which are not includable in Accounts 4010 through 4120.

§ 32.4210 Funded debt.

(a) This account shall include the total face amount of unmatured debt, maturing more than one year from date of issue, issued by the company and not retired, and the total face amount of similar unmatured debt of other companies, the payment of which has been assumed by the company, including funded debt the maturity of which has been extended by specific agreement.

(b) This account shall include such items as mortgage bonds, collateral trust bonds, income bonds, convertible debt, debt securities with detachable warrants and other similar obligations maturing more than one year from date of issue.

(c) In the case of debt securities with detachable warrants this account shall include only the face amount of the security at the time of issuance. The value of detachable warrants shall be charged to either Account 4220, Premium on Long-Term Debt, or Account 4230, Discount on Long-Term Debt, as appropriate, and credited to Account 4520, Additional Paid-in Capital, in the case of capital stock warrants or retained in this account as a separately identifiable amount in the case of detachable long-term debt warrants. No similar allocation shall be made for the issuance of either convertible debt or debt securities with non-detachable warrants.

~~(d) Subsidiary records shall be maintained for each issue.~~

(b)(e) Securities maturing in one year or less, including securities maturing serially, shall be included in Account 4050, Current Maturities -Long-Term Debt.

(c)(f) Investment advances, including those represented by notes, shall be included in Account 4270, Other Long-Term Debt.

§ 32.4220 Premium on long-term debt.

(a) This account shall include the premium associated with all classes of long-term debt. Premium, as applied to securities issued or assumed by the company, means the excess of the current money value received at their sale over the sum of their book or face amount and interest or dividends accrued at the date of the sale.

(b) Amounts included in this account shall be amortized monthly by the interest method and credited to Account 7510, Interest on Funded Debt. (Note also § 32.4210(c) of this subpart.)

~~(c) Subsidiary records shall be maintained to identify the premium attributable to each issue.~~

§ 32.4230 Discount on long-term debt.

(a) This account shall include the discount associated with all classes of long-term debt. Discount, as applied to securities issued or assumed by the company, means the excess of the book or face amount of the securities plus interest or dividends accrued at the date of the sale over the current money value of the consideration received at their sale.

(b) Amounts included in this account shall be amortized monthly by the interest method and charged to Account ~~7510, Interest On Funded Debt.~~ **7500, Interest and Related Items.** (Note also § 32.4210 (c) of this subpart.)

~~(c) Subsidiary records shall be maintained to identify the discount attributable to each issue.~~

§ 32.4240 Reacquired debt.

This account shall include the face amount of debt reacquired prior to maturity that has not been retired. Gain or loss shall be recognized at the time of reacquisition by credits or charges to Account ~~7360, Other Nonoperating Income~~ **7300, Nonoperating Income and Expense**, except that material gains or losses shall be treated as extraordinary. (See Accounts ~~7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges.~~ **7600, Extraordinary Items**).

§ 32.4250 Obligations under capital leases.

(a) This account shall include the noncurrent portion of obligations applicable to property obtained under capital leases.

(b) Amounts subject to current settlement shall be included in Account 4060, Current Maturities-Capital Leases.

## § 32.4260 Advances from affiliated companies.

(a) This account shall include the amount of advances from affiliated companies.

(b) Amounts due affiliated companies which are subject to current settlement shall be included in Account 4010 or 4020, as appropriate.

## § 32.4270 Other long-term debt.

This account shall include long-term debt not provided for elsewhere.

## § 32.4310 Other long-term liabilities.

~~(a)~~ This account shall include amounts accrued to provide for such items as unfunded pensions (if actuarially determined), death benefits, deferred compensation costs and other long-term liabilities not provided for elsewhere.

~~(b) Subsidiary records shall be maintained to identify the nature of the items included herein .~~

## § 32.4320 Unamortized operating investment tax credits - net.

(a) This account shall be credited and Account ~~7210, Operating Investment Tax Credits Net~~ **7200, Operating Taxes**, should be debited with investment tax credits generated from qualified expenditures related to regulated operations which the company defers rather than recognizes currently in income.

(b) This account shall be debited and Account ~~7210~~ **7200** credited with a proportionate amount determined in relation to the period of time used for computing book depreciation on the property to which the tax credit relates.

## § 32.4330 Unamortized nonoperating investment tax credits - net.

(a) This account shall be credited and Account ~~7410, Nonoperating Investment Tax Credits Net, 7400, Nonoperating Taxes~~, shall be debited with investment tax credits generated from qualified expenditures related to other operations which the company has elected to defer rather than recognize currently in income.

(b) This account shall be debited and Account ~~7410~~ **7400** credited with a proportionate amount determined in relation to the useful book life of the property to which the tax credit relates.

## § 32.4340 Net noncurrent deferred operating income taxes.

~~(a) This account shall include the balance of income tax expense related to noncurrent items from regulated operations which have been deferred to later periods as a result of comprehensive interperiod tax allocation related to temporary differences that arise from regulated operations.~~

~~(b) This account shall be credited or debited as appropriate, and Account 7250, provision for Deferred Operating Income Taxes Net shall reflect the offset for the tax effect of revenues and expenses from regulated operations which have been included in the determination of taxable income, but which will not be included in the determination of book income or for the tax effect of revenues and expenses from regulated operations which have been included in the determination of book income prior to the inclusion in the determination of taxable income.~~

~~(c) As regulated assets or liabilities which generated the prepaid income tax or deferred income tax are reclassified from long term or noncurrent status to current status, the appropriate deferred income tax shall be reclassified from this account to Account 4100, Net Current Deferred Operating Income Taxes.~~

*(a) This account shall include the deferred tax effects of all unreversed temporary differences as defined under SFAS No. 109. (i.e., SFAS No. 109 requires that unreversed temporary differences should be stated at the rate the tax will be paid).*

~~(b)(d) The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turnaround of the temporary difference.~~

~~(e) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

~~(c)(f) This account shall be exempt from the vintage year detail record requirements of Section 32.22(e)(2).~~

~~§ 32.4341 Net Deferred Tax Liability Adjustments.~~

~~(a) This account shall include the portion of deferred income tax charges and credits pertaining to Accounts 32.1437, Deferred Tax Regulatory Asset, and 32.4361, Deferred Tax Regulatory Liability.~~

~~(b) This account shall be used to record adjustments to the accumulated deferred tax liabilities recorded in Accounts 4100 and 4340 for:~~

~~(1) Tax effects of temporary differences accounted for under the flow through method or treated as permanent differences.~~

~~(2) Reclassification attributable to changes in tax rates (Federal, state and local). As tax rates increase or decrease, the offsetting debit or credit will be recorded in Account 1437 and/or 4361 as required by paragraph (a).~~

~~(3) The tax effects of carryforward net operating losses and carryforward investment tax credits expected to reduce future taxes payable that are reported in published financial statements.~~

~~(4) Reversals of the tax effects of carryforward net operating losses and carryforward investment tax credits previously recorded in this account at the time they become recognized as reductions in current taxable income and current taxes payable on tax returns.~~

~~(c) This account shall be exempt from the vintage year detail record requirements of Section 32.22(e)(2).~~

§ 32.4350 Net noncurrent deferred nonoperating income taxes.

(a) This account shall include the balance of income tax expense (Federal, state and local) that has been deferred to later periods as a result of comprehensive interperiod allocation related to nonoperating temporary differences.

(b) This account shall be credited or debited, as appropriate, and Account ~~7450, Provision for Deferred Nonoperating Income Taxes~~ **Net 7400, Nonoperating Taxes**, shall reflect the offset for the tax effect of revenues from other operations and extraordinary items and nonoperating expense which have been included in the determination of taxable income, but which will not be included in the determination of book income or for the tax effect of nonoperating expenses and extraordinary items and nonoperating income which have been included in the determination of book income prior to the inclusion in the determination of taxable income.

(c) As other assets or liabilities which generated the prepaid income tax or deferred income tax are reclassified from long-term or non-current status to current status, the appropriate deferred income tax shall be reclassified from this account to account 4110, Net Current Deferred Nonoperating Income Taxes.

(d) This account shall also include the balance of the income tax effect (Federal, State and local) related to noncurrent extraordinary items which have been included in the determination of taxable income in a period different from when it is included in the determination of book income, that is, more than one year.

(e) This account shall be charged or credited with the contra amount recorded to Account ~~7640, Provision for Deferred Income Tax Effect of Extraordinary Items~~ **Net 7600, Extraordinary Items**, in accordance with paragraph § 32.22 of Subpart B.

(f) As the extraordinary item which generated the deferred income tax becomes current, the appropriate deferred income tax shall be reclassified from this account to Account 4110, Net Current Deferred Nonoperating Income Taxes.

(g) The classification of deferred income taxes as current or noncurrent shall follow the classification of the asset or liability that gave rise to the deferred income tax. If there is no related asset or liability, classification shall be based on the expected turnaround of the temporary difference.

~~(h) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that are property related and those that are nonproperty related. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

§ 32.4360 Other deferred credits.

This account shall include the amount of all deferred credits not provided for elsewhere, such as amounts awaiting adjustment between accounts; and revenue, expense, and income items in suspense.

## § 32.4361 Deferred Tax Regulatory Liability.

(a) This account shall include amounts of probable future ~~revenue~~ *net reductions in revenues attributable to future decreases in taxes payable* *future revenue reductions in excess of future revenue increases attributable to:*

*(1) future net decreases to taxes payable related to the tax effects of temporary differences accounted for under the flow-through method (future decreases in excess of future increases).*

*(2) the impact of tax rate decreases in excess of tax rate increases on net deferred tax liabilities (deferred tax liabilities in excess of deferred tax assets) for those temporary differences underlying its existing balance.*

*(3) the impact of tax rate increases in excess of tax rate decreases on net deferred tax assets (deferred tax assets in excess of deferred tax liabilities) for those temporary differences underlying its existing balance.*

As *net* reductions occur *in revenue*, amounts recorded in this account shall be reduced with a debit entry and a credit entry to Account 4341, ~~Net Deferred Tax Liability Adjustments~~. 4340, *Net Noncurrent Deferred Operating Income Taxes*.

(b) This account shall also be adjusted for the impact of prospective tax rate changes on the deferred tax liability for those temporary differences underlying its existing balance. If the cumulative effect of such adjustments reduces the account to a net debit balance, such balance shall be reclassified to Account 1437.

~~§ 32.4370 Other jurisdictional liabilities and deferred credits - net.~~

~~\_\_\_\_\_ This account shall include the cumulative impact on liabilities and deferred credits of the jurisdictional ratemaking practices which vary from those of this Commission. All entries recorded in this account shall be recorded net of any applicable income tax effects and shall be supported by appropriate subsidiary records where necessary as provided for in § 32.13 of Subpart B.~~

## § 32.4510 Capital stock.

(a) This account shall include the par value, stated amount, or in the case of no-par stock, the amount received for capital stock issued and outstanding.

~~(b) Subsidiary records shall be maintained so as to show separately each class of stock.~~

(b)(c) This account shall be charged with the book amount of any stock retired.

## § 32.4520 Additional paid-in capital.

(a) This account shall include the difference between the net proceeds (including discount, premium and stock issuance expense) received from the issuance of capital stock and the amount includable in Account 4510, Capital Stock unless such difference results in a debit balance for that class of stock, in which case the amount shall be charged to Account 4550, Retained Earnings.

(b) This account shall also include gains arising from the retirement and cancellation of capital stock. Losses from retirement and cancellation of capital stock shall be charged to this account to the extent that there exist credits in this account for the same class of stock; otherwise to Account 4550.

## § 32.4530 Treasury stock.

This account shall include the cost of the company's own capital stock which has been issued and subsequently reacquired but not retired or resold.

## § 32.4540 Other capital.

This account shall include amounts which are credits arising from the donation by stockholders of the company's capital stock, capital recorded upon the reorganization or recapitalization of the company and temporary declines in the value of marketable securities held for investment purposes. (See also Account 1401 Investment in Affiliated Companies.)

## § 32.4550 Retained earnings.

(a) This account shall include the undistributed balance of retained earnings derived from the operations of the company and from all other transactions not includable in the other accounts appropriate for inclusion of stockholders' equity.

~~(b) Subsidiary records shall be maintained wherein are recorded all entries to retained earnings during the year such that the detail of the entries may be disclosed to this Commission.~~



## Subpart D - Instructions for Revenue Accounts

## § 32.4999 General.

(a) Purpose of revenue accounts. The revenue accounts are intended to include the actual cash inflows (or equivalents) that have or will occur as a result of the company's ongoing major or central operations during the period. They will include the revenues which arise from furnishing regulated telecommunications services to others, from directory advertising, rentals of telecommunications assets and from providing other services which are directly associated with the provision of regulated telecommunications services.

(b) Deductions from revenue. Corrections of overcharges, authorized refunds of over collections previously credited to revenue, authorized refunds and adjustments on account of failure in service, and other corrections shall be charged to the revenue account previously credited with the amounts involved.

(c) Commissions. Commissions paid to others or employees in place of compensation or salaries for services rendered, such as public telephone commissions, shall be charged to Account ~~6623, Customer Services~~ **6620 Customer Operations Services**, and not to the revenue accounts.

(d) Revenue recognition. Credits shall be made to the appropriate revenue accounts when such revenue is actually earned. When the billing cycle encompasses more than one accounting period, adjustments are necessary to properly recognize the revenue applicable to the current accounting period under report. Revenues recorded under the terms of two-tier contracts or other variable payment plans should be deferred, if necessary, and recognized ratably with expenses over the term of related contract. Any amounts deferred shall be credited to Account 4360, Other Deferred Credits.

(e) Contractual arrangements. Charges and credits resulting from activities associated with the provision of regulated telecommunications services shall be recorded in a manner consistent with the nature of the underlying contractual arrangements. The charges and credits resulting from expense sharing or apportionment arrangements associated with the provision of regulated telecommunications services shall be recorded in the detailed regulated accounts. Charges and credits resulting from revenue settlement agreements or other revenue pooling arrangements associated with the provision of regulated telecommunications services shall be included in the appropriate revenue accounts. Those charges and credits resulting from contractual revenue pooling and/or sharing agreement shall be recorded in each prescribed revenue account ~~and prescribed subsidiary record categories thereof to the extent that each is separately identifiable in the settlement process. It is not intended that settlement amounts be allocated or generally spread to the individual revenue accounts where they are not separately identifiable in the settlement process. When Settlement amounts are not identifiable by a revenue account they shall be recorded in Account 5069, Other Local Exchange Revenue Settlements 5000, Basic Local Service Revenue, 5129, Other Long Distance Private Network Revenue Settlements, 5169, Other Long Distance Revenue Settlements 5100, Long Distance Network Services Revenues, or 5269, Other Revenue Settlements 5200, Miscellaneous Revenue, as appropriate.~~

(f) ~~Subsidiary records jurisdictional subdivisions~~

~~(1) Subsidiary record categories shall be maintained in order that the company may separately report revenues derived from charges imposed under intrastate, interstate and international tariff filings. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

~~(2) This jurisdictional subsidiary record requirement applies to all accounts except the Network Access Services Group where separate accounts have been established for Federal and state access revenues.~~

~~(g) Structure of revenue accounts.~~

~~(1) The revenue section of the system of accounts shall be organized by revenue group summary account, account and subsidiary record category (if required).~~

~~(2) The revenue section of this system of accounts shall be comprised of five major groups: Local Network Services Revenues, Network Access Services Revenues, Long Distance Network Services Revenues, Miscellaneous Revenues, and Uncollectible Revenues, which shall be considered as a revenue group for the purposes of the construction of the system.~~

~~(3) Summary accounts within revenue groups shall be used to describe aggregations of two or more accounts having a certain commonality. Summary accounts are assigned numbers so that they may be used by Class A telephone companies to aggregate accounts for reporting purposes; and, as specifically directed, so that they may be used as accounts by Class B telephone companies.~~

~~(4) accounts shall be maintained as prescribed in this Section subject to the conditions described in § 32.13 of Subpart B. In certain instances, subsidiary record categories may be required below the account level by this system of accounts or by Commission order.~~

~~(h) Local Network Services revenues. Local Network Services revenues (Accounts 5000-5069) shall include revenues derived from the provision of service and equipment entirely within the basic service area. That area is defined as the normal boundaries for local calling plus Extended Area Service (EAS) boundaries as they apply to that service. It includes revenues derived from both local private network service and local public network services as well from customer premises facilities services. Local revenues include associated charges such as one-time service connection or termination charges and secondary features such as call waiting.~~

~~(i) Network Access revenues.~~

~~(1) Network Access revenues (Accounts 5080-5084) shall include revenues derived from the provision of exchange access services to an interexchange carrier or to an end user of telecommunications services beyond the exchange carrier's network.~~

~~(2) Billing and collections service provided under exchange access tariffs shall be included in the Miscellaneous Revenue Group.~~

~~(j) Long Distance Network Service revenues. Long Distance Network Service revenues shall include revenues derived from the provision of services beyond the basic service area whether message or flat rate and including public network switching as well as private.~~

~~(k) Miscellaneous revenues. Miscellaneous revenues are those revenues derived from the provision of regulated products and services provided under tariff or contract but not contained elsewhere. They shall also include operating revenue derived from activities performed incident to the company's tariffed telecommunications operations which, though non-tariffed, are included in the regulatory process.~~

~~(l) Nonregulated revenues. The nonregulated revenue account shall be used for nonregulated operating revenues when a nonregulated activity involves the common or joint use of assets or resources~~

~~in the provision of regulated and nonregulated products or services and when such activity is accounted for, as required in § 32.23(c) of this subpart, within the accounts prescribed in this system for telephone company operations. Revenues from nontariffed activities offered incidental to tariffed services may be accounted for as regulated revenues, provided the activities are outgrowths of regulated operations and the revenues do not exceed, in the aggregate, one percent of total revenues for three consecutive years. Such activities must be listed in the Commission approved Cost Allocation Manual for any company required to file a Cost Allocation Manual.~~

~~(m) Uncollectible revenues. Uncollectible revenues shall include amounts originally credited to the revenue accounts which have proved impracticable of collection.~~

(n) Revenue accounts to be maintained.

<u>Account Title</u>	<u>Class A</u> <u>Account</u>	<u>Class B</u> <u>Account</u>
<del>Local Network Services Revenues:</del>		
Basic local service revenue	5000 <sup>+</sup>	5000
<del>Basic area revenue</del>	<del>5001</del>	
<del>Optional extended area revenue</del>	<del>5002</del>	
<del>Cellular mobile revenue</del>	<del>5003</del>	
<del>Other mobile services revenue</del>	<del>5004</del>	
<del>Public telephone revenue</del>	<del>5010</del>	
<del>Local private line revenue</del>	<del>5040</del>	
<del>Customer premises revenue</del>	<del>5050</del>	
<del>Other local exchange revenue</del>	<del>5060</del>	
<del>Other local exchange revenue settlements</del>	<del>5069</del>	
<del>Network Access Services Revenues:</del>		
Network access revenue	5080 <sup>+</sup>	5080
End user revenue	5081	5081
Switched access revenue	5082	5082
Special access revenue	5083	5083
State access revenue	5084	5084
<del>Long Distance Network Services Revenues:</del>		
Long distance message revenue	5100	5100
<del>Unidirectional long distance revenue</del>	<del>5110<sup>+</sup></del>	
<del>Long distance inward only revenue</del>	<del>5111</del>	
<del>Long distance outward only revenue</del>	<del>5112</del>	
<del>Long distance private network revenue</del>	<del>5120<sup>+</sup></del>	
<del>Subvoice grade long distance private network revenue</del>	<del>5121</del>	
<del>Voice grade long distance private network revenue</del>	<del>5122</del>	
<del>Audio program grade long distance private network revenue</del>	<del>5123</del>	
<del>Video program grade long distance private network revenue</del>	<del>5124</del>	

<u>Account Title</u>	<u>Class A Account</u>	<u>Class B Account</u>
<del>Long Distance Network Services Revenues: (Cont'd)</del>		
<del>Digital transmission long distance</del>		
<del>private network revenue</del>	<del>5125</del>	
<del>Long distance private network</del>		
<del>switching revenue</del>	<del>5126</del>	
<del>Other long distance private network revenue</del>	<del>5128</del>	
<del>Other long distance private network</del>		
<del>revenue settlements</del>	<del>5129</del>	
<del>Other long distance revenue</del>	<del>5160</del>	
<del>Other long distance revenue settlements</del>	<del>5169</del>	
<del>Miscellaneous Revenues:</del>		
<del>Miscellaneous revenue</del>		5200
<del>Directory Revenue</del>	<del>5230</del>	
<del>Rent revenue</del>	<del>5240</del>	
<del>Corporate operations revenue</del>	<del>5250</del>	
<del>Miscellaneous revenue</del>	<del>5260<sup>+</sup></del>	
<del>Special billing arrangements revenue</del>	<del>5261</del>	
<del>Customer operations revenue</del>	<del>5262</del>	
<del>Plant operations revenue</del>	<del>5263</del>	
<del>Other incidental regulated revenue</del>	<del>5264</del>	
<del>Other revenue settlements</del>	<del>5269</del>	
<del>Carrier billing and collection revenue</del>	<del>5270</del>	
<del>Nonregulated Revenues:</del>		
<del>Nonregulated operating revenue (R-8)</del>	<del>5280</del>	5280
<del>Uncollectible Revenues:</del>		
<del>Uncollectible revenue</del>	<del>5300<sup>+</sup></del>	5300
<del>Uncollectible revenue telecommunications</del>	<del>5301</del>	
<del>Uncollectible revenue other</del>	<del>5302</del>	

<sup>+</sup> ~~To be used by Class A telephone companies to summarize accounts for reporting purposes.~~

§ 32.5000 Basic local service revenue.

This account number shall be ~~used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 5001 through 5004. Class B telephone companies shall use this account~~ for revenues of the type and character ~~required of Class A companies in Accounts 5001 through 5069, listed below.~~

~~§ 32.5001 Basic area revenue.~~

(a) This account shall include revenue derived from the provision of basic area message services such as flat rate services and measured services. Included is revenue derived from non-optional extended area services. Also included in revenue derived from the billed or guaranteed portion of semi-public services.

(b) Revenue derived from charges for nonpublished numbers or additional and boldfaced listings in the alphabetical section of the company's telephone directories shall be included in Account ~~5230, Directory Revenue.~~ *5200, Miscellaneous Revenue.*

~~§ 32.5002 Optional extended area revenue.~~

This account shall include total revenue derived from the provision of optional extended area service.

~~§ 32.5003 Cellular mobile revenue.~~

This account shall include message revenue derived from cellular mobile telecommunications systems connected to the public switched network placed between mobile units and other stations within the mobile service area.

~~§ 32.5004 Other mobile services revenue.~~

(a) This account shall include message revenue derived from general radio telecommunications systems connected to the public switched network placed between mobile units and other stations within the mobile service area, as well as revenue from mobile radio paging, mobile dispatching, and signaling services.

(b) Revenue from private mobile telephone services which do not have access to the public switched network shall be included in Account ~~5264, Other Incidental Regulated Revenue.~~ *5200, Miscellaneous Revenues.*

~~§ 32.5010 Public telephone revenue.~~

~~This account shall include message revenue (e.g., coin paid) derived from public and semi-public telephone services provided within the basic service area.~~

~~§ 32.5040 Local private line revenue.~~

This account shall include revenue derived from local services that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations (e.g., point-to-point communications). It includes revenue from subvoice grade, voice grade, audio and video program grade, digital transmission and local private network switching as well as the revenue from administrative and operational support services associated with private network services and facilities, e.g., charges for company-directed testing, expedited installation, and service restoration priority.

~~32.5050 Customer premises revenue.~~

This account shall include revenue derived from tariffed information origination/termination plant. Included is revenue derived from the provision under leasing arrangements of tariffed customer premises equipment (CPE), terminal equipment, station apparatus and large private branch exchanges as well as tariffed nonrecurring charges related solely to station apparatus. Also included are all tariffed charges for customer premises activities and facilities not related solely to station apparatus.

~~§ 32.5060 Other local exchange revenue.~~

This account shall also include revenue from the provision of secondary features which are integrated with the telecommunications network such as call forwarding, call waiting and touch-tone line service. Also included is revenue derived from the provision of public announcement and other record message services, directory assistance and other call completion services (excluding operator assisted basic long distance calls), as well as revenue derived from central office related service connection and termination charges, and other non-premise customer specific charges associated with public network services. This account shall also include local revenue not provided for in other accounts.

~~§ 32.5069 Other local exchange revenue settlements.~~

This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreement for tariffed local network services only when they are not separately identifiable by local network services revenue accounts in the settlement process. (See also § 32.4999(e) of this subpart.) To the extent that the charges and credits resulting from a settlement process can be identified by Local Network Services Revenue account they shall be recorded in the applicable account.

## § 32.5080 Network access revenue.

(a) This account number shall ~~be used by Class A and Class B telephone companies to summarize for reporting purposes the contents of Accounts 5081 through 5084. It shall~~ include revenue derived from the provision of exchange access services to an interexchange carrier or to an end user of telecommunications service beyond the exchange carrier's network

(b) Accounts 5081 through 5083 are for federally tariffed access charges while Account 5084 is to be used for state tariffed access charges.

§ 32.5081 End user revenue.

This account shall contain the federally tariffed monthly flat rate charge assessed upon end users.

§ 32.5082 Switched access revenue.

(a) This account shall consist of federally tariffed charges assessed to interexchange carriers for access to local exchange facilities.

~~(b) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to limited pay telephone, carrier common line, line termination, local switching, interception, information, common transport and dedicated transport. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

§ 32.5083 Special access revenue.

(a) This account shall include all federally tariffed charges assessed for other than end user or switched access charges referred to in Account 5081, End User Revenue, and Account 5082, Switched Access Revenue.

~~(b) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to recurring charges, nonrecurring charges and surcharges. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

§ 32.5084 State access revenue.

(a) This account shall include all state tariffed charges assessed by local exchange carriers upon interexchange carriers and end users access for access to local exchange network for intrastate telecommunications.

(b) Billing and collections services provided under exchange access tariffs shall be included in Account ~~5270, Carrier Billing and Collection Revenue~~. *5300, Miscellaneous Revenue*

§ 32.5100 Long distance message revenue.

(a) This account shall be used by ~~Class A telephone companies~~ for revenues derived from message services that terminate beyond the basic service area of the originating wire center and are individually priced. This includes those message services which utilize the public long distance switching network and the basic subscriber access subscriber access line. ~~(See also Account 5111, Long Distance Inward Only Revenue, and Account 5112, Long Distance Outward Only Revenue.)~~ It also includes those long distance calls placed from mobile and public telephones, as well as any charges for operator assistance or special billing directly related to the completion of a specific call. This account shall also include revenue derived from individually priced message services offered under calling plans (discounted long distance) which do not utilize dedicated access lines, as well as those priced at the basic long distance rate where a discounted toll charge is on a per message basis. Any revenue derived from monthly or one-time charges for obtaining calling plan services shall be included in this account.

(b) ~~Class B telephone~~ companies shall use this account for revenues of the type and character ~~required of Class A companies in Accounts 5100 through 5169, listed below.~~

~~§ 32.5110 Unidirectional long distance revenue.~~

~~This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 5111 and 5112. It shall include revenue derived from long distance services which permit unidirectional calls to a subscriber from specified service areas or which permit the subscriber to place telephone calls from one location to other specified services areas. It shall also include revenue derived from toll calling plans which embody flat-rate or measured time toll service. (See also Account 5100, Long Distance Message Revenue.)~~

~~§ 32.5111 Long distance inward only revenue.~~

This account shall include the revenue derived from long distance services which permit unidirectional calls to a subscriber from specified services areas (multipoint-to-point service). These calls require the use of dedicated access lines connecting a subscriber's premises and a designated central office. These dedicated access lines are generally separate from those required for the subscriber to place outward calls. The call is billed to the subscriber even though it is generally initiated by the subscriber's customer or correspondent.

~~§ 32.5112 Long distance outward only revenue.~~

This account shall include revenue derived from long distance services which permit the subscriber to place telephone calls from one location to other specified service areas (point-to-multipoint service). These calls are completed without operator assistance and require the use of a dedicated access line. The dedicated access line is generally separate from those required for inward message services and cannot be used to place calls within the basic service area or calls outside the selected service areas. Outward calls are screened and blocked to determine whether the calls are within an authorized service area.

~~§ 32.5120 Long distance private network revenue.~~

(a) This account ~~number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 5121 through 5129. It shall include revenue derived from~~



services extending beyond the basic service area that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations (e.g., point-to-point communications).

(b) Service connection charges, termination charges, rearrangements and changes, etc., shall be included in each account to which they apply. ~~Revenue derived from associated administrative and operational support services shall be included in Account 5128, Other Long Distance Private Network Revenue.~~

~~§ 32.5121 Subvoice grade long distance private network revenue.~~

This account which consists of revenue from narrow-band analog private network circuits and facilities furnished exclusively from record forms of communications, such as teletypewriter, teletypesetter, telewriter, ticker, Morse, signaling, remote metering, and supervisory services.

~~§ 32.5122 Voice grade long distance private network revenue.~~

This account consists of revenue from private network circuits and facilities (including multipurpose wide-band) which provide voice grade services for the transmission of analog signals. It includes revenue from services such as voice, data and telephoto communication, as well as remote metering, supervisory control, miscellaneous signaling and channels furnished for the purpose of extending customer-provided communications systems. It includes revenue from the provision of facilities between customer premises and a) a serving office, b) a carrier distribution point or c) an extension distribution channel, ~~except when furnished as a subscriber access line under an unidirectional long distance service (in which case the revenue should be included in Account 5111, Long Distance Inward Only Revenue, or Account 5112, Long Distance Outward Only Revenue).~~

~~§ 32.5123 Audio program grade long distance private network revenue.~~

(a) This account consists of revenue from private network circuits and facilities furnished for audio program transmission purposes, such as radio broadcasting, sound recording (wired music) and loud speaker services. It includes revenue from the provision of facilities for the transmission of analog signals between customer premises and 1) a serving office, 2) a carrier distribution point or 3) an extension distribution channel furnished in connection with such services. It also includes revenue from facilities furnished to carry the audio portion of a television program if furnished under separate audio rates .

~~(b) If the rate for television program services includes both the picture and sound portion of the transmission, the revenue shall be included in Account 5124, Video Program Grade Long Distance Private Network Revenue.~~